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June 12, 2008

**VIA ELECTRONIC FILING**

Charles L.A. Terreni, Esquire  
Chief Clerk & Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Generic Proceeding to Explore a Formal Request for Proposal for Utilities that are Considering Alternatives for Adding Generating Capacity - Docket No. 2005-191-E.  
Request of South Carolina Electric & Gas Company ("SCE&G") for Exception to the RFP Requirements

Dear Mr. Terreni,

This is to inform the Public Service Commission ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed SCE&G's request for a Commission order excepting the Company from the procedures set forth in the RFP Order No. 2007-626 governing the addition of peaking generation facilities and ORS has no objection to the Company's request.

The four original units are vintage 1961 and are in need of significant repair and refurbishment for which spare and repair parts are more difficult to locate and in some cases have to be manufactured. The two replacement units operate with a heat rate of 10,000 BTU/KWH whereas the four original units operate at a heat rate of 18,000 BTU/KWH. This increase in efficiency lowers the fuel required for generating the same number of kilowatt hours by approximately 45%.

The two replacement units are early 2000 vintage, with one unit being essentially new and the other with very little run time. These two new units are also quick start units versus the four old units requiring considerable startup time to connect to the grid.

These two new units are being marketed by their owners, thus time is of the essence for SCE&G to acquire these two turbines at a significantly lower cost than the purchase of new turbines.

These newer units will continue to provide much needed voltage support for the Company's service territory in the Charleston area which may not be available through the RFP process. SCE&G's request is also consistent with the Commission's expressed objectives in the RFP Order to maintain reliability, a diverse generation mix, and appropriate fuel diversity. After review, ORS has no objection to SCE&G's request.

(Continued...)

Charles L.A. Terreni, Esquire

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Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Nanette S. Edwards, Deputy General Counsel, SC ORS  
Shannon Bowyer Hudson, Attorney, SC ORS  
K. Chad Burgess, Senior Counsel, SCE&G  
Dr. James Spearman, Executive Assistant, PSCSC